

UAC INSURANCE MUTUAL

Board of Directors Meeting

Thursday, July 18, 1996, 9:00 a.m.

UAC Offices

4021 South 700 East, Suite 180, Salt Lake City

A G E N D A

9:00 Call to Order

Set Date and Time for Closed Meeting
to Discuss the Character, Professional Competence, or Physical or Mental Health of an Individual

Set Date and Time for Closed Meeting
to Discuss Pending or Reasonably Imminent Litigation

Broker Proposals

Adjourn

4021 South 700 East, Suite 180
Salt Lake City, Utah 84107



UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

UAC INSURANCE MUTUAL MINUTES, BOARD OF DIRECTORS MEETING

July 18, 1996, 9:00 a.m.

UAC Offices

4021 South 700 East, Suite 180, Salt Lake City

Board Members Present:

Gary Herbert, *President*, Utah County Commissioner
Gerald Hess, *Vice President*, Davis County Deputy Attorney

Board Members Participating by Phone:

Sid Groll, *Comptroller*, Cache County Sheriff
Ken Brown, Rich County Commissioner
Curtis Dastrup, Duchesne County Commissioner
Gary Sullivan, Beaver County Commissioner
Robert Gardner, *Secretary*, Iron County Commissioner

Board Members Absent:

Ty Lewis, San Juan County Commissioner
Sarah Ann Skanchy, Cache County Council Member

Others Present:

Kent Sundberg, Utah County Deputy Attorney
Brent Gardner, UACIM Administrator
Brett Rich, Director, UACIM
Sonya White, UACIM Administrative Assistant

CALL TO ORDER

Gary Herbert called the meeting to order.

NOTICE OF MEETING WAIVER

Pursuant to the UACIM Bylaws Article 7.2, Ken Brown made a motion to waive the 10 day meeting notice requirement. Gary Sullivan seconded the motion and the motion passed unanimously. Ty Lewis and Sarah Ann Skanchy will need to ratify this decision at the next meeting.

SET DATE AND TIME FOR CLOSED MEETING TO DISCUSS

THE CHARACTER, PROFESSIONAL COMPETENCE, OR PHYSICAL OR MENTAL HEALTH OF AN INDIVIDUAL

Robert Gardner made a motion to set the date and time for closed meeting to begin at 9:15 a.m. on July 18, 1996, to discuss the character, professional competence, or physical or mental health of an individual. Ken Brown seconded the motion and the motion passed unanimously.

Ken Brown made a motion for the Board to conclude the closed meeting. Gary Sullivan seconded the motion and the motion passed unanimously.

BROKER PROPOSALS

Pursuant to the Board of Directors request, Brett Rich read his letter addressed to Kathy Howick, Investigations State of Utah Insurance Department, regarding licensing requirements and concerns. Brett explained Ms. Howick's oral responses to these concerns and explained that a written response will be forth coming. The responses to the concerns were answered to the satisfaction of the Board, therefore, Arthur J. Gallagher will be awarded the brokerage contract for UACIM. The Board directed Brett to notify AON and Gallagher of this decision which will be effective January 1, 1997, unless AON would prefer to negotiate their existing contract.

Upon review of the options proposed by Gallagher, Gerald Hess made a motion directing Brett to begin contract negotiations with Gallagher using the performance based brokerage option on a total compensation basis. Robert Gardner seconded the motion and the motion passed unanimously. Gary Sullivan made a motion directing Brett to calculate the cost of a UACIM in-house claims administration unit to compare with the options proposed by Gallagher. Ken Brown seconded the motion and the motion passed unanimously. Gary Sullivan made a motion directing Brett to prepare and mail a bid sheet to local insurance accounting firms to prepare the monthly UACIM financial statements. Sid Groll seconded the motion and the motion carried.

SET DATE AND TIME FOR CLOSED MEETING TO DISCUSS PENDING OR REASONABLY IMMINENT LITIGATION

Gary Sullivan made a motion to set the date and time for closed meeting to begin at 10:10 a.m. on July 18, 1996, to discuss pending or reasonably imminent litigation. Robert Gardner seconded the motion and the motion passed unanimously.

Sid Groll made a motion for the Board to conclude the closed meeting. Gerald Hess seconded the motion and the motion passed unanimously.

Sid Groll made a motion to increase the settlement authority of claim number 801DAV967021 in an amount up to \$60,000. Ken Brown seconded the motion and the motion passed unanimously.

OTHER BUSINESS

The next meeting of the Board of Directors will be held August 1, 1996, at 10:00 in the UAC offices.

AFFIDAVIT OF GARY R. HERBERT

STATE OF UTAH)
 :SS
COUNTY OF SALT LAKE)

Gary R. Herbert, being duly sworn upon oath, deposes and says:

1. That the affiant has personal knowledge of the matters hereinafter referred to in this Affidavit.


2. That the Affiant, on or about the 18 day of July, 1996, presided over a meeting of the Utah Association of Counties Insurance Mutual Board of Trustees, an open and public meeting within the provisions of Chapter 4, Title 52, Utah Code Annotated, 1953, as amended.

3. That a quorum of the Utah Association of Counties Insurance Mutual Board of Trustees was present and at least two-thirds of the members present, voted to close the meeting pursuant to the provisions of Section 52-4-4, Utah Code Annotated, 1953, as amended, for the purpose of discussing the character, professional competence, or physical or mental health of an individual.

4. That the affiant was present throughout the meeting and, pursuant to the provisions of Section 52-4-7.5, the affiant does hereby affirm that the sole purpose for closing the meeting was to discuss the character, professional competence, or physical or mental health of an individual or individuals.

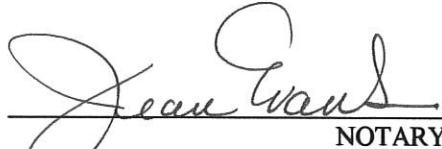
FURTHER, Affiant saith not.

DATED this _____ day of _____, 1996.


GARY R. HERBERT, President
Utah Association of Counties Insurance Mutual

On the 15th day of August, 1996, personally appeared before me Gary R. Herbert, who, after being by me duly sworn, deposed and said that the information contained in the above and foregoing Affidavit is true and correct.




NOTARY PUBLIC
Residing at: SALT LAKE CITY, UTAH
My Commission Expires: JANUARY 31, 1998

